

Arena Cheese's Three Foundations:



The house that Colby-Jack built ... At Arena Cheese (Arena, Wisconsin), the owners have fine-tuned a success formula that's based upon producing high-quality cheeses, primarily targeted for the supermarket deli trade. Vice-president Bill Hanson and his wife Nel purchased the shuttered plant in April 1999. Along the way, they partnered with Jerry and Ron Weil – cheese marketers based near St. Louis.

In 1979, the Peterson family created “Co-Jack”® cheese – a tasty combination of yellow Colby and white Monterey Jack curds. Arena Cheese owners caution that they produce “Colby-Jack.”

The plant's location on busy U.S. Highway 14, about 30 miles west of Madison, offers a prime retail cheese store spot.

by Pete Hardin

April 1, 2019 marked the 20th anniversary of Bill and Nel Hanson purchasing the shuttered Arena Cheese plant at Arena, Wisconsin and 40 years since Colby/Jack cheese was “discovered” at the Arena Cheese plant. At that point, after 20-plus years' experience in the cheese business in Wisconsin and Idaho, Bill was ready to set out on his own. He'd slogged through multiple ownership changes at his previous stops in the cheese business, and had grown tired of repeatedly adjusting to new owners' corporate cultures.

Twenty years ago, the Hansons started from scratch: no cheese customers, no farm milk supply. Bill had calculated that after four tough years for cheese plant operators' profit margins, the timing was ripe for an industry upturn. “Things couldn't get worse,” he concluded. Guess what? Things got worse.

Bill now jokes about having been an “April Fool” — the fortunes of cheese plants remained somewhere between sour and modest for several more years. But those early tough years helped hone the successful formula at Arena Cheese, which includes: producing quality cheese, nurturing long-term industry relationships, and targeting the delicatessen counters of supermarkets as the primary marketing focus. For 2019's first quarter, Bill Hanson smiles while reporting that Arena Cheese has enjoyed the greatest first quarter volume of cheese orders in the firm's 20-year history.

The first quarter of each year is typically the slowest volume time of the year. Arena Cheese is not caught up in Cheddar-based commodity prices. In recent months, Mozzarella demand has been spectacular. Sales of numerous specialty cheeses are also strong – in contrast to Cheddar's fortunes that have been pulled down by burgeoning inventories.

Today, Arena Cheese converts some 1.3 million lbs. of farm milk each week into Colby-Jack, Gouda, Colby, Smoked Gouda and a wee bit of Cheddar. Flavors are added to these basic cheeses to include a wide array of products produced and sold by Arena Cheese. “Colby Caliente” (supplemented with several different hot peppers) is a popular item. **Important to note: Colby-Jack combines yellow curds from Colby cheese and white curds from Monterey Jack. Arena Cheese cannot call its project “Co-Jack”® — which is a trademarked name owned by Land O'Lakes. (See related gold sidebar below.)**

Selling to the delicatessen trade mostly entails pressing fresh curds into 4-inch wide deli horns and 6-inch wide long horns, before cutting those cheeses for the deli trade. Study after study shows that the delicatessen is the most profitable portion of modern supermarkets. Cheeses at the deli counters commonly sell at prices higher than chunk cheese sold in the cheese section of the dairy

case at those same supermarkets. Buyers expect a higher quality cheese in the delis than typically sold in dairy departments. At Arena Cheese, after the curds have been pressed into the long, tube-shaped forms, they are custom-cut mostly into 3-lb. and 6-lb. deli horns or longhorns and longhorn splits, depending upon the specific buyer's preference.

As the volume at Arena Cheese grew, Bill found that certain aspects of running the business were beyond his resources. That's where a special relationship paid off. In 2002, a major customer — Swiss-American, a St. Louis-based national cheese distributor — wanted Bill to dramatically expand his production and sales to that firm, but Bill was edgy. He feared pushing beyond his boundaries for inventory management and financial exposure. So Bill counter-proposed that the owners of Swiss-American – Ron and Jerry Weil – enter into a partnership with the Hansons. That partnership – Arena Cheese, Inc., continues to this day – with dramatic growth at Arena Cheese. That partnership – coupled with the move to a larger bank that could cover Arena Cheese's operations – solved two of the toughest challenges Bill faced at Arena Cheese – marketing and cash flow management. (The Weils also operate a cheese marketing and sales business — R & J Sales and Marketing.) These changes have allowed Bill to exercise his strengths – managing the production of top-quality, award winning cheese.

Arena Cheese, Inc. sells the majority of its cheese, private labeled to small, medium and large national supermarkets and distributors as well selling under their own Spring Green™ brand of cheeses. The focus on quality of milk, use of authentic and traditional methods of cheese making and the embrace of the concepts of continual improvement via the Global Food Safety Initiative combined with the great team of production people at Arena Cheese has allowed Team Arena to win over 25 national and world medals the past 16 years. (Arena Cheese uses the British Retail Consortium guidelines with most recent audit in 2019 receiving AA rating, the highest possible rating.)

Prime location for cheese plant retail store

Arena, Wisconsin (population: 863) is located on U.S. Highway 14, about 30 miles west of Madison. Highway 14 is the “scenic route” that winds through riverbottom terrain and the Driftless Region's hills between Madison and La Crosse. Arena doesn't feature a traffic light, but drivers on Highway 14 must slow down to 35 miles an hour when passing through the village. And as they slow down, passing motorists are lured by the attractive cheese plant and retail store. That route is a major thoroughfare, year-round. But during summer months, traffic on Highway 14 is bolstered by tourists and vacationers. Visitors at Arena Cheese's retail store like to both see the cheese being made and buy the plant's cheeses, Bill explains.

Inside Arena Cheese's retail store, one finds a vast array of attractive cheeses – well displayed and fairly priced including Arena Cheese's award-winning fresh Cheddar curds. Since Arena Cheese makes only a few varieties, the store offers cheeses sourced from a variety of local Wisconsin plants. From within the cheese store, a viewing window allows visitors to enjoy a close-up view of the cheesemaking process in operation. And next to the viewing window is the “bargain” cooler of cheeses – oftentimes larger chunks of cheese (3 to 8 pounders) that are popular with locals and other regular customers.

Expanded capacity in recent years ...

In recent years, Arena Cheese has expanded its processing and warehouse capacities. Cheese production starts around midnight, when the first workers arrive at the plant. In 2016, the footprint of the production area was expanded to include a third, 30,000-lb. cheese vat, as well as a second finishing table (where moisture is drained from the curds). These two additions now allow Arena Cheese's staff to operate two full shifts with no bottlenecks in the cheese vat-to-drain-tables-to-forms assembly line.

Earlier Owners of Arena Plant Patented “Co-Jack”®

This year marks a second significant anniversary involving the cheese plant at Arena, Wisconsin. Forty years ago, Harold Peterson and family created and patented the mix of yellow Colby and white Monterey Jack curds as “Co-Jack”®.

The Petersons eventually sold their plant to AMPI Mid-States Region, which was later merged into Foremost Farms. Foremost acquired the “Co-Jack”® trademark and later it was sold to Land O'Lakes – the current owner.

Ever so carefully, Bill Hanson will note that his cheeses that combine the yellow and white curds are sold as “Colby-Jack.” Don't call it “Co-Jack”®. But the sign along U.S. Highway 14 next to the Arena Cheese plant does memorialize that site as the birthplace of “Co-Jack” cheese.

Quality, Relationships & the Deli Counter



The University of Wisconsin-Madison's Center for Dairy Research offers a three-year "Master Cheesemaker" curriculum. At least 10 years' experience as a state-licensed cheese maker and prior track record producing quality cheese are pre-requisites for applicants. Bill Hanson of Arena Cheese now owns three Master Cheesemaker awards – for Colby, Gouda and Colby-Jack.

The intake area at Arena Cheese was upgraded in 2006, with the addition of whey processing equipment and three milk silos. In 2016, a new two-bay milk intake and fourth milk silo were added to the plant. They have a total capacity of 860,000 lbs. when full. The old silos now hold liquid whey from the plant, prior to the whey being condensed and trucked out to another firm for processing. Arena Cheese produces roughly 35,000 lbs. of cheese per day on a five-day per week operating schedule.

In 2012, Arena Cheese expanded its on-site warehouse capacity – to help with increased volume and orders. Currently, the warehouse's footprint is 11,000 square feet – about 80% of which is cold storage space. The warehouse's cheese storage capacity is 600,000 lbs. – about three weeks' production volume.

Milk suppliers: important relationships

Quality cheese starts with quality farm milk – about 1.3 million lbs. per week. Hanson praises his two primary suppliers of farm milk: Scenic Central Milk Producers and Foremost Farms. Scenic Central supplies about 70% of the milk going into Arena Cheese. The Scenic Central co-op was also a fledgling in the late 1990s, and Arena Cheese has been an important buyer from that co-op from the start of the Hansons' ownership. Hanson credits Scenic Central's first manager, Ken Boll, for being patient with Arena Cheese in the early days when sometimes the plant's cash-flow was tight. "Ken would tell the board of directors, 'Don't worry,'" Hanson remembers. The long-term relationship between Arena Cheese and the Scenic Central co-op has been win-win for both parties. Scenic Central has a nearby outlet for its members' milk, and Arena Cheese gets quality milk.

Foremost Farms is also an important milk supplier – providing about 20% of the volume at Arena Cheese. Foremost is a flexible raw milk supplier, which Hanson appreciates. The rest of the milk needed (10%) for Arena Cheese is purchased on the spot market.



How do they make round deli loaves of cheese? Curds are inserted into round cylindrical molds – and then pressed using spring-type mechanisms pushed down from above by a stainless-steel mechanism. Round deli loaves may be produced in 4-inch and 6-inch widths. After pressing the curds into 39-inch lengths, the tube-shaped deli loaves are cut into 12-inch or 18-inch lengths, depending on end-users specifications.



Why is this guy smiling? Bill Hanson reflects positively on his 40+ year career in the cheese business – the last 20 at Arena Cheese (Arena, Wisconsin). Prior owners developed "Co-Jack"® cheese – the tasty mixture of yellow Colby and white Monterey Jack curds pressed into deli rounds. In this photo, Bill displays his award-winning Colby-Jack and two of his three Master Cheesemaker awards. Behind Bill is the well-stocked cheese display at Arena Cheese's store.

Hanson is a "Master Cheesemaker"

Through the University of Wisconsin-Madison's Center for Dairy Research, Bill Hanson has earned the title of "Master Cheesemaker." His mastery covers Colby, Gouda, and Colby-Jack. (Bill had to push hard to get the Center for Dairy Research (CDR) at the University of Wisconsin-Madison to recognize Colby-Jack as a stand-alone category eligible for a Master Cheesemaker award, which he completed very recently.) That award requires selected applicants to complete a three-year course at the CDR. A minimum of 10 years experience in cheese making is required before a candidate may even apply for the program. Pre-qualification, CDR officials explore the experience and quality of cheeses made by the applicant. Then, a rigorous course of higher education takes place over three years.

The Master Cheesemaker award goes hand-in-hand with numerous other programs conducted by organizations in "America's Dairyland" to boost the quality and image of the state's cheeses. No state enjoys a greater association with a food product than Wisconsin and cheese.

Amid the expanded production and storage facilities, Bill Hanson asserts, "One thing we don't change is the quality." He sticks with traditional, tried-and-true methods of production. Some plants may enjoy higher cheese yields with various technologies, but few, if any, of those new technologies come close to matching the traditional quality and taste of Arena Cheese's products. Hanson and his staff of six cheesemakers have learned to adjust their production techniques to seasonal changes in milk composition – to gain consistent, year-round quality and taste. Arena Cheese has earned first place awards from the American Cheese Society, as well as the U.S. and World Cheese Championships in recent years.

To summarize: Arena Cheese's success is built upon a Master Cheesemaker's devotion to consistent quality and specialized products aiming for the retail market's high-margin, delicatessen trade.



Arena Cheese, Inc sells gift baskets. Here is a sample of the firm's "Large Gift Basket." Consumers can also order single packaged cheese over their e-commerce Website.

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